



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(C-535-904)

Circular Welded Carbon-Quality Steel Pipe from Pakistan: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: The U.S. Department of Commerce (the Department) determines that countervailable subsidies are being provided to exporters and producers of circular welded carbon-quality steel pipe (circular welded pipe) from Pakistan. For information on the estimated subsidy rates, see the “Suspension of Liquidation” section of this notice.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3857.

SUPPLEMENTARY INFORMATION:

Background

The petitioners in this investigation are Bull Moose Tube Company, EXLTUBE, Wheatland Tube Company, and Western Tube and Conduit (collectively, Petitioners). In addition to the Government of Pakistan (GOP), the mandatory respondent in this investigation is International Industries Limited (IIL). The period of investigation (POI) is July 1, 2014, through June 30, 2015.

The Department published its *Preliminary Determination* on April 8, 2016.¹ A complete summary of the events that occurred since the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the “Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from Pakistan,” which is dated concurrently with and hereby adopted by this notice.² The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the Department’s main building. In addition, a complete version of the Issues and Decision Memorandum can be viewed at <http://enforcement.trade.gov/frn>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Methodology

The Department conducted this countervailing duty (CVD) investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy (*i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient) and that the subsidy is

¹ See *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 81 FR 20619 (April 8, 2016) (*Preliminary Determination*).

² See Department Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from Pakistan,” October 21, 2016 (Issues and Decision Memorandum).

specific.³ For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

Scope of the Investigation

The product covered by this investigation is circular welded pipe from Pakistan. For a complete description of the scope, see Appendix I to this notice.

Analysis of Subsidy Programs and Comments Received

All issues raised in the comments filed by interested parties to this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by IIL and responded to by the Department in the Issues and Decision Memorandum is attached at Appendix II to this notice.

Use of Adverse Facts Available

For purposes of this final determination, we have continued to rely on facts available with adverse inferences, in accordance with section 776(a)-(d) of the Act, to calculate the subsidy rate for the mandatory respondent. For this final determination, we continue to find all programs in this proceeding countervailable. A full discussion of our decision to rely on adverse facts available is presented in the “Use of Facts Otherwise Available and Adverse Inferences” section of the Issues and Decision Memorandum.

Final Determination

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated a subsidy rate for IIL, the only individually investigated exporter/producer of the subject merchandise. Section 705(c)(5)(A)(ii) of the Act provides that, if the countervailable subsidy rates for all individually investigated exporters and producers are determined entirely in accordance with

³ See section 771(5)(B) and (D) of the Act regarding financial contribution, section 771(5)(E) of the Act regarding benefit, and the section 771(5A) of the Act regarding specificity.

section 776 of the Act, the Department may use any reasonable method to establish an “all-others” rate for exporters and producers that were not individually investigated. As described above, IIL’s subsidy rate was calculated entirely under section 776 of the Act. Therefore, consistent with section 705(c)(5)(A)(ii) of the Act, we have resorted to “any reasonable method” to derive the all-others rate and are basing the all-others rate on the rate calculated for IIL. This method is consistent with the Department’s past practice.⁴

We determine the total estimated countervailable subsidy rates to be as follows:

Exporter/Producer	Net Subsidy Rate
International Industries Limited	64.81 percent
All-Others	64.81 percent

Suspension of Liquidation

Pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of circular welded pipe from Pakistan, as described in the “Scope of the Investigation,” that were entered or withdrawn from warehouse for consumption on or after April 8, 2016, the date of publication of the *Preliminary Determination* in the *Federal Register*, and to require a cash deposit for such entries of merchandise.⁵ In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes in regard to subject merchandise entered or withdrawn from warehouse on or after August 6, 2016, but to continue the suspension of liquidation of all entries from April 8, 2016, through August 5, 2016.

⁴ See *Preliminary Determination*, 81 FR at 20620; see also *Grain-Oriented Electrical Steel from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 79 FR 59221, 59222 (October 1, 2014) (assigning the sole mandatory respondent’s rate, which was based on AFA, as the all-others rate); *Circular Welded Carbon-Quality Steel Pipe from India: Final Affirmative Countervailing Duty Determination*, 77 FR 64468, 64470 (October 22, 2012) (averaging two total AFA respondents’ rates to determine the all-others rate).

⁵ See *Preliminary Determination*, 81 FR at 20621.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will reinstate the suspension of liquidation under section 706(a) of the Act, require a cash deposit of the estimated CVD duties for such entries in the amounts indicated above and issue a CVD order. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making all non-privileged and non-proprietary information related to this investigation available to the ITC. We will also allow the ITC to access all privileged and business proprietary information in our files, provided that the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties such to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or,

alternatively, conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This determination is published pursuant to section 705(d) and 777(i) of the Act.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

October 21, 2016

Date

Appendix I

Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
 - (i) 1.80 percent of manganese;
 - (ii) 2.25 percent of silicon;
 - (iii) 1.00 percent of copper;
 - (iv) 0.50 percent of aluminum;
 - (v) 1.25 percent of chromium;
 - (vi) 0.30 percent of cobalt;
 - (vii) 0.40 percent of lead;
 - (viii) 1.25 percent of nickel;
 - (ix) 0.30 percent of tungsten;
 - (x) 0.15 percent of molybdenum;
 - (xi) 0.10 percent of niobium;
 - (xii) 0.41 percent of titanium;
 - (xiii) 0.15 percent of vanadium; or
 - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of this investigation. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gage
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17
2.375	0.065	16
2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II
Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Use of Facts Otherwise Available and Adverse Inferences
- VI. Discussion of the Issues

Issue 1: Non-cooperation of IIL

Issue 2: Corroboration of Secondary Information

- VII. Conclusion

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